

EXHIBIT 1

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JAMES CRAIG
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

In re) Chapter 9
CITY OF DETROIT, MICHIGAN,) Case No. 13-53846
Debtor.) Hon. Steven W. Rhodes

The Videotaped Deposition of JAMES CRAIG,
Taken at 1114 Washington Boulevard, HR Room,
Detroit, Michigan,
Commencing, at 9:07 a.m.,
Thursday, July 24, 2014,
Before Kathryn L. Janes, CSR-3442, RMR, RPR.

JAMES CRAIG

- 1 Q. Sure. And how would you assess the morale of the
2 people that were working under you?
3 A. There are a couple of ways to do that. Certainly
4 whether or not they're productive, I mean, out
5 performing the job, the department's mission.
6 Certainly, you know, looking at sick time usage,
7 is there a pattern, that's usually one of the
8 things. And again, you're talking about the level
9 of a first line supervisor. As you move up into
10 the more advanced ranks, there's more of a global
11 view of that as opposed to what a first line
12 supervisor would be doing.
13 Q. And when you say you looked at how productive
14 they were, were there specific metrics that you
15 would look at?
16 A. Yeah, but, you know, the metrics were different
17 then than certainly they are today. I mean, as
18 Chief of Police, I don't put a focus on pure
19 numbers, I mean police departments historically
20 when you talk about in the '80s, '90s, it was a
21 push to, you know, how many tickets have you
22 written, not that you put a specific number, but
23 policing then would really look at tickets,
24 arrest, calls handled.
25

JAMES CRAIG

- 1 police chief, certainly each department had morale
2 issues. Portland, Cincinnati and then Detroit,
3 and so I developed a -- I wouldn't call it a
4 technique, but a way of going into a department
5 and having direct conversations with line workers.
6 I put a great deal of emphasis on the line work
7 because the folks that are doing the line work are
8 the ones that are going to make a difference in
9 policing our communities.
10 And so, in having those conversations, I can
11 determine whether or not morale was high or low or
12 it would be just based on my research coming into
13 an organization knowing that, you know, like using
14 Detroit as an example, clearly it was no secret
15 that coming into Detroit, the morale was extremely
16 low. There was very little work being done, no
17 one was being held accountable, police officers
18 had 10 percent of their pay taken. They were
19 forced to work 12-hour shifts, and so it was very
20 easy to see why that morale was, in fact, down.
21 Q. Okay.
22 A. Just using that as an example, Cincinnati similar,
23 morale was down, there was certainly a leadership
24 void and police officers had no voice in the
25

JAMES CRAIG

- 1 And while those things are -- can show and reveal
2 what an employee is doing during the course of an
3 eight or 12-hour work shift, that's not the
4 absolute way to determine whether or not a person
5 is effectively doing their job. There are other
6 factors such, you know, as how you treat the
7 community, the interaction with the community.
8 Certainly when you look at a person that's had say
9 a series of sustained personnel complaints, coming
10 to work late, their appearance and uniform
11 somewhat shabby, those things are usually
12 indicators that something's wrong and certainly
13 can be attributed to that individual's morale.
14 Q. Sure. So in order to assess morale, it's not
15 just looking purely at the numbers, you also have
16 to talk to individuals and assess, I guess, their
17 appearance and how they're performing in their
18 day-to-day duties?
19 A. Right, and again, how I would assess morale as a
20 supervisor in comparison to a manager and then
21 later as a police chief is very different.
22 Q. How was it different?
23 A. Well, because, you know, like using -- well, in
24 all three positions I've held now, the third as a
25

JAMES CRAIG

- 1 organization's business, so morale was down there.
2 And then Portland, morale was down because the
3 department functioned in the way it functioned for
4 many years and they were ready for change.
5 Q. Okay. I just want to follow up on two things
6 there that you said. So the best way to assess
7 morale, at least in your view, is to have direct
8 conversations with the line workers?
9 A. That's one way.
10 Q. One way.
11 A. Not only, but yeah, that's my personal style.
12 Q. Okay.
13 A. I like to go directly and talk with line employees
14 to determine --
15 Q. Right.
16 A. -- the state of the state.
17 Q. And then when you came into Detroit, you said
18 that the morale was very low?
19 A. Yes.
20 Q. Okay. And you gave a couple reasons, I just want
21 to make sure I have all those reasons, number one
22 was the pay cut?
23 A. Pay cut was one that came up, but not the sole
24 issue.
25

1 JAMES CRAIG
 2 Q. Sure. And the second reason was the lack of
 3 accountability?
 4 A. Lack of accountability by their bosses. In fact,
 5 I remember it very distinctly, going to a meeting,
 6 a union meeting that I attended just prior to my
 7 start and trying to make assessments on morale and
 8 the issues in the department. A police officer
 9 quickly stated, and I won't use his exact
 10 verbiage, but he thought it would be a good idea
 11 to fire everyone at the rank of then inspector and
 12 above.
 13 Q. Okay. And that impacted morale, I take it?
 14 A. It does impact because the view of the department
 15 then was that, you know, people selected for these
 16 ranking positions is based on what has been
 17 affectionately referred to in Detroit as friends
 18 and family, that people were put in positions
 19 because they were associated with an elected
 20 official like the mayor, it's a buddy system, and
 21 people just believed it was unfair and certainly
 22 that has an effect on morale.
 23 Q. Okay.
 24 A. And then when unequal -- if the perception is or
 25 factually unqualified people are being promoted,

1 JAMES CRAIG
 2 investment?
 3 A. Poor equipment, lack of investment. And when I
 4 talk about investment, some of that investment is,
 5 you know, development, you know, preparing, you
 6 know, line and supervisory employees for positions
 7 of increased advancement and not a lot of
 8 mentoring and development existed.
 9 Q. All right. Any other factors you can think of
 10 that impacted morale in Detroit?
 11 A. I would say not a sole factor, but one factor,
 12 just the nature of the work, there's no secret
 13 that, and I've said it publicly, Detroit is
 14 probably one of the most challenging cities to
 15 police in America given the crime rate and
 16 certainly I factor in again when you talk about
 17 challenging, these police officers know that
 18 they're working in the most challenging
 19 environment or at least one of them. But yet
 20 their pay is not consistent with what other places
 21 are paying, like an LA or -- or even a local
 22 university that actually plays (sic) more money
 23 than Detroit police officers.
 24 Q. Right, so the nature of the work affecting
 25 morale?

1 JAMES CRAIG
 2 then that certainly has a negative impact on
 3 morale.
 4 Q. Okay. You call that an atmosphere of unfair
 5 working conditions?
 6 MR. HERTZBERG: Objection to form.
 7 A. Well, I mean, that's one way to describe it.
 8 That's one factor.
 9 BY MR. ARNAULT:
 10 Q. Sure, so pay cuts, lack of accountability, what
 11 I'm calling unfair working conditions, are there
 12 any other factors that were affecting morale that
 13 you can think of?
 14 A. Just working conditions and the dilapidated police
 15 vehicles, police vehicles that certainly should
 16 have been replaced, police stations that were in
 17 need, sorely in need of repair. And so when you
 18 talk about the work environment and the perception
 19 by the officers is that no one cared and, you
 20 know, my view of the department coming in was that
 21 there was an absence or a lack of investment in
 22 not only the police department, but the people
 23 that worked here for many years, and so that has a
 24 -- is a factor in morale as well.
 25 Q. Okay. And that would be poor equipment, lack of

1 JAMES CRAIG
 2 A. The nature of the work can have an impact on it.
 3 Q. Any other factors that we haven't talked about
 4 that you can think of?
 5 A. Not right now, I think that pretty much sums it
 6 up.
 7 Q. Okay. And these are all factors that directly
 8 impacted the employees; would that be fair?
 9 A. Yes. And I did talk about leadership or absence
 10 thereof, supervision.
 11 Q. Uh-huh.
 12 A. You know, the department also has been under
 13 consent judgment for now -- now 11 years, and
 14 certainly there have been some conditions placed
 15 on the department that has also had an effect
 16 on -- on morale as well because of the type of
 17 supervisor -- supervision that's necessary to
 18 ensure that the department is compliant with the
 19 mandates of the decree.
 20 Q. Okay. And leadership is something that directly
 21 affects the employees, right?
 22 A. Directly affects. In fact, I would probably say
 23 that that's a larger factor than even pay. Even
 24 though pay is an issue and certainly not to take
 25 that out of the equation, I find that when people

1 JAMES CRAIG
 2 MR. HERTZBERG: You're right. My
 3 mistake, I am the one. I screwed it up, we are on
 4 number 9, my mistake.
 5 MS. KOVSKY-APAP: What is number 9?
 6 MR. HERTZBERG: What is?
 7 MS. KOVSKY-APAP: Where is it?
 8 MR. HERTZBERG: Right there, the City
 9 plan, the Fourth Amended Plan.
 10 MARKED FOR IDENTIFICATION:
 11 DEPOSITION EXHIBIT 9
 12 BY MR. ARNAULT:
 13 Q. I'm showing you what has been marked as Craig
 14 Exhibit 9, now that we've gotten to the bottom of
 15 that, have you seen this document before?
 16 A. I have not.
 17 Q. So I take it, you didn't assist in its preparation?
 18 A. I did not.
 19 Q. Are you aware as part of the City's Plan of
 20 Adjustment, it contemplates investing
 21 approximately \$1.4 billion into the city?
 22 A. I've probably read somewhere in the news articles.
 23 Q. If you'll turn to page 162 of this document, and
 24 you'll see at the top here, that the City details
 25 the -- how it intends to distribute the \$1.4

1 JAMES CRAIG
 2 billion in reinvestment initiatives; do you see that?
 3 A. On page 162?
 4 Q. Yeah -- or page 161, sorry.
 5 MR. HERTZBERG: Oh, look here. Don't
 6 look at the small ones.
 7 MR. ARNAULT: Sorry.
 8 MR. HERTZBERG: It's the little one,
 9 ignore the bottom.
 10 THE WITNESS: Oh, look at the --
 11 MR. HERTZBERG: Yeah, the small one is
 12 page 161.
 13 THE WITNESS: The small one, okay, I'm
 14 sorry.
 15 MR. HERTZBERG: Yeah, page 161, the
 16 small one, ignore the other stuff on the bottom.
 17 THE WITNESS: Okay, 161.
 18 MR. HERTZBERG: Perfect, you're there.
 19 BY MR. ARNAULT:
 20 Q. There you go, at the top. And here the City
 21 lists out how it intends to distribute the
 22 \$1.4 billion in the reinvestment initiatives; is
 23 that right?
 24 A. I see it.
 25 Q. Have you seen these numbers before?

1 JAMES CRAIG
 2 A. I have not.
 3 Q. Then if you flip over to little 162, the
 4 Disclosure Statement specifically discusses how
 5 much money it plans to invest in DPD?
 6 A. Yes.
 7 Q. And then right about the middle of the page, the
 8 Disclosure Statement says: To combat these
 9 problems, the City has proposed to make targeted
 10 investments in the DPD totaling \$274.2 million;
 11 do you see that?
 12 A. I do.
 13 Q. And have you seen that \$274.2 million number
 14 before?
 15 A. I have.
 16 Q. And is it your understanding that that
 17 \$274.2 million number is the amount of money that
 18 it will take to achieve all the goals and
 19 implement all the changes in your Plan of Action?
 20 A. I believe so.
 21 Q. In other words, this -- the spending in the
 22 Fourth Amended Disclosure Statement maps on to
 23 the Plan of Adjustment that we looked at or the
 24 Plan of Action that we looked at earlier?
 25 MR. HERTZBERG: Objection to form.

1 JAMES CRAIG
 2 A. I can't say that it mirrors this or it fits nicely
 3 into that, no, I can't say that the 274.2 million
 4 addresses everything in the Plan of Action.
 5 BY MR. ARNAULT:
 6 Q. Okay. Is the 274.2 million what the City needs
 7 to spend on DPD in order to develop it into a
 8 premier law enforcement agency?
 9 A. I would offer that as we continue to move forward,
 10 this is an opinion, based on retaining qualified
 11 police officers, what's not factored in certainly
 12 in the 274 is salaries of police officers over
 13 that ten year -- I mean, it's factored in, but not
 14 to the degree it would bring the salaries of the
 15 police officers up to where they should be in
 16 comparison to other agencies. So that, of course,
 17 we pump that number higher, so when you ask that
 18 question, that's how I would view 274.2 million as
 19 a little short of reaching what I believe the
 20 ultimate goal of raising the salaries commensurate
 21 with other police officers in other
 22 municipalities.
 23 Q. Right. So the -- the part missing from this
 24 274.2 is whatever bump you need to provide --
 25 A. Right.

1 JAMES CRAIG
 2 Q. -- to the employees to provide them with
 3 commensurate salaries?
 4 A. Right.
 5 Q. Do you know how much of a bump that would be?
 6 A. I think that would require a little more research.
 7 I'm not saying they certainly shouldn't make, even
 8 though I've testified that police officers in
 9 Detroit are working the most challenging
 10 environment, recognizing that the cost of living
 11 in Detroit is very different than say that of
 12 California, wouldn't expect that a Detroit police
 13 officer would make that. But when you just look
 14 at the region, I said I think off camera or on
 15 camera just comparing what a Chicago police
 16 officer is paid, a new Chicago police officer
 17 comes in at a rate much higher than that of a
 18 Detroit police officer. In fact, as it was
 19 pointed out, a Chicago police officer's beginning
 20 step is pretty much what a top step Detroit police
 21 officer makes, a tenured, so that's -- where would
 22 a Detroit police officer fall in that equation.
 23 Q. All right. And if you wanted to award people for
 24 working in a challenging employment environment
 25 like Detroit, pay is the number one thing; is

1 JAMES CRAIG
 2 Q. But we hadn't talked about the \$101.3 million
 3 number had we?
 4 A. I will say in advance if you're going to ask me if
 5 I think that's sufficient funding to maintain, I
 6 can't respond to that because I didn't do the
 7 research on --
 8 Q. Okay, so --
 9 A. -- what it would take to maintain the fleet
 10 replacement and factoring in repairs.
 11 Q. Right. So when we're looking at cost
 12 information, that's not something that you looked
 13 into?
 14 A. No.
 15 Q. Okay.
 16 A. I didn't do the research on that.
 17 Q. Right. So if I was to ask you where this \$101.3
 18 million number came from?
 19 A. I could not testify to that.
 20 Q. Okay. And that may streamline a lot of my
 21 questions because I was going to go through and
 22 ask about the 75.2, the 38.2, all the numbers
 23 that are listed here?
 24 A. Understand.
 25 Q. And would --

1 JAMES CRAIG
 2 that right?
 3 A. Pay and it helps recruitment. It certainly helps
 4 with retention.
 5 Q. Are there any other things that you would want to
 6 do to help with recruitment or attrition or
 7 retention?
 8 A. Well, I've already testified that I think the work
 9 environment, equipment, those things are always
 10 necessary in -- in terms of attracting and hiring
 11 the best.
 12 Q. Essentially the benefits that affect the
 13 employees directly, right?
 14 A. Exactly.
 15 MR. MORRIS: Objection, form.
 16 BY MR. ARNAULT:
 17 Q. Now, if we go down just a little bit on this
 18 page, it breaks out the specific spending that I
 19 assume makes up the 274.2; do you see that?
 20 A. I see it.
 21 Q. Okay. And the first one is 101.3 million to
 22 initiate and maintain a fleet vehicle replacement
 23 program, and that's something we had talked about
 24 that earlier, right?
 25 A. Yes, I -- we have.

1 JAMES CRAIG
 2 A. That's not numbers I personally came up with or
 3 that I was directly involved with in the -- that
 4 was based on the consultants and staff working
 5 together that came up with the best number to
 6 accomplish the goal of a -- in the case of a fleet
 7 replacement, so I can't testify that 101.3 looks
 8 like it will work.
 9 Q. Right. So if I was to ask you if any of these
 10 numbers worked, you just -- you wouldn't be able
 11 to do that?
 12 A. I would not be able to testify to that.
 13 Q. And I imagine you have the same answer if we go
 14 to page 163, where it breaks out the fiscal year
 15 spending 2014, 2018; do you see that?
 16 A. And that's based on the amounts that were -- that
 17 came from what we just last talked about, and so
 18 this gives it condensed, so I can't likewise. I
 19 don't have the insights into what it would cost
 20 over a ten-year period to maintain.
 21 Q. Fair enough. And --
 22 A. I can talk about why it's important to replace a
 23 fleet every three years which I've already
 24 testified to.
 25 Q. But you can (sic) testify about exactly how much